

Single-Mother Families: Trends in Poverty, Work and Welfare

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Issue

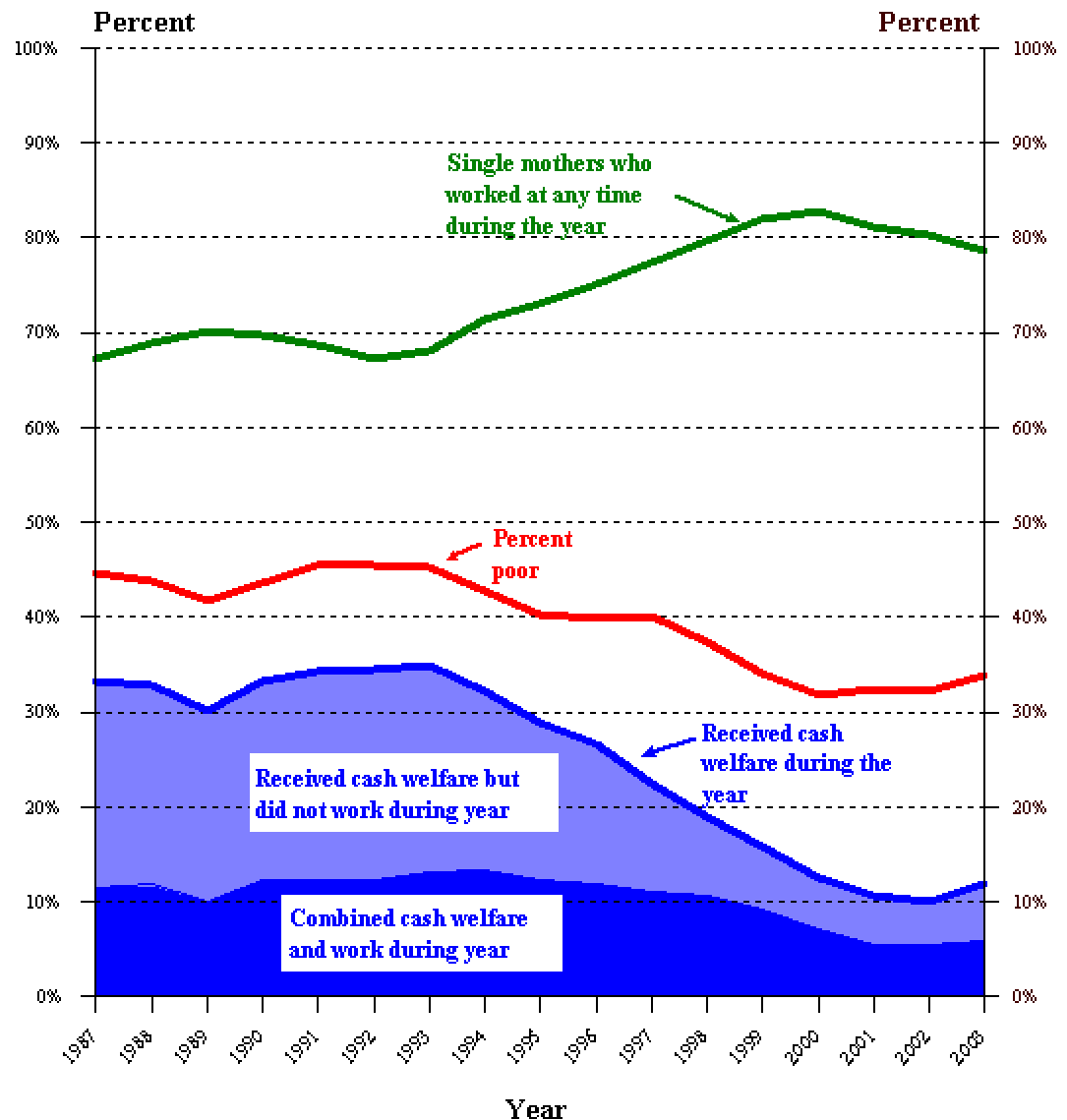
Single parent families, headed mostly by women, were the principal population served under the AFDC program and remain so under the TANF program which replaced it. Among its most sweeping changes, TANF eliminated the entitlement to assistance to individuals and families that existed under the 61-year old AFDC program. Additionally, ending dependence of needy parents on government benefits by promoting job preparation, work, and marriage is one of TANF's stated goals. The possible effects of proposed welfare program changes on families and children were a matter of heated debate prior to TANF's enactment and have remained a matter of intense scrutiny since. Of particular interest is whether single mothers are moving off cash welfare into jobs, and whether their incomes are sufficient to lift their families out of poverty.

Background/Findings

A dramatic transformation with regard to single mothers' welfare, work, and poverty status has occurred in recent years. Many of these changes began before the passage and implementation of TANF, but have continued, perhaps to a greater extent, since. Single mothers are more likely to be working in recent than in past years and they are less likely to be receiving cash welfare or to be poor. However, poverty reductions have not been as large as the large declines in welfare and the increased rates of work that have occurred. Additionally, among *poor* and *very poor* families headed by single mothers, the odds that they receive cash welfare has dropped markedly in recent years even though they would appear to be eligible for assistance, based on their very low incomes. While single mothers are less dependent on welfare in most recent than in past years, increased work has not resulted in marked gains in net income for single mother families having the *lowest incomes*. Among single mothers whose incomes place them in the bottom-fifth of all such families ranked by income, their earnings gains have failed to offset concurrent losses in cash welfare and food stamp benefits in recent years.

The weakened economy, marked by the onset of recession in March 2001, is likely responsible for interrupting the recent years' trend towards growing income and reduced poverty among families head by single mothers. The majority of families headed by single mothers had seen their incomes improve in recent years. Their income from earnings supplemented by the Earned Income Tax Credit (EITC) has grown markedly since 1993; for most groups EITC-supplemented earnings gains have more than offset the losses in cash welfare and food stamps they experienced. However, most recent (2003) data indicate that the trend towards improved income and poverty reduction among families headed by single mothers has attenuated and may not improve until the economy does.

Welfare, Work and Poverty Status Among Single Mothers, 1987 to 2003



Source: Prepared by the Congressional Research Service (CRS). Based on analysis of U.S. Census Bureau March 1988 to 2004 Current Population Survey (CPS) data.

Policy Challenges

Assisting single mothers in moving to full-time full-year work remains a policy challenge in reducing welfare dependency and child poverty. Job preparation coupled with child care and other forms of assistance are key

components in helping poor single mothers take and keep a job. However, full-time full-year work, although likely necessary, may not be sufficient for some single mothers to have incomes above poverty without some reliance on cash welfare or other income supports. Income supports in the form of child support, earnings supplements, such as the EITC, food, housing, and medical assistance, as well as cash welfare, are likely to continue to play important roles in addressing the needs of many single-mother families. A challenge for these and other approaches will be to reduce basic unmet needs and at the same time promote economic self-sufficiency.

For More Information

[CRS Report 95-1041](#), *Poverty in the United States: 2003*.

CRS Report 95-539, *Redefining Poverty in the United States: National Academy of Science Panel Recommendations*. (Archived)

[CRS Report 95-1024\(pdf\)](#), *Trends in Poverty in the United States*.

[CRS Report RL30797\(pdf\)](#), *Trends in Welfare, Work, and the Economic Well-Being of Female-Headed Families with Children: 1987 - 2002*.

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